

United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

<p>RIVERSIDE HEIGHTS ORANGE GROWERS ASSOCIATION, a corporation and GEORGE D. PARKER,</p>	<p><i>Appellants,</i></p>
<p>vs.</p>	
<p>FRED STEBLER,</p>	<p><i>Appellee.</i></p>

Reply Brief on Behalf of Defendants'- Appellants

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IN THE

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RIVERSIDE HEIGHTS ORANGE
GROWERS ASSOCIATION, a
corporation and GEORGE D.
PARKER,

Appellants,

vs.

FRED STEBLER,

Appellee.

No. 2772

On Appeal by De-
fendants from
Final Decree.

REPLY BRIEF ON BEHALF OF DEFEND- ANTS-APPELLANTS.

Due to the fact that appellee's brief was not served until the day of the hearing, the Court accorded Appellants permission to file a reply brief.

Inasmuch as appellee's brief presents several issues not heretofore raised, we deem it advisable to answer same.

Between pages 1 and 10 of brief, appellee urges that the appellants have not the right to review any-

thing on this appeal, other than the objections urged to the Master's report.

The answer to this assertion is, first, our exceptions to the Master's report give foundation for each of the assignment of errors, excepting the fifth, and, secondly, the appellants are not appealing from the Master's report, but from a final decree of the lower Court.

Pages 10 to 70 of appellee's brief is an argument in support of infringement of claims 1 and 10 of the Strain Reissue Letters Patent by the manufacture and sale of the new sizer placed on the market by appellant Parker after the rendition of the interlocutory appeal. In the main, the subject matter contained between said pages of the brief is directed toward advising this Court what it intended to cover by its decision rendered in connection with appeal case No. 2772 entitled *Stebler vs. Riverside Heights Orange Growers Association and George D. Parker*, 205 Fed. 735, and a studied effort is made to show that by said decision this Court intended to hold that claims 1 and 10 of the said Reissue Letters Patent covered broadly any and all means for securing independent adjustment of the discharge outlet portions of the fruit runway for the sized fruit. Such is not a fact. The decision speaks for itself and should require no effort on the part of counsel to explain its meaning. It is only by inducing the Court to accept such construction of the decision, that appellee hopes to have the sizer placed on the market by appellant Parker since the rendition of the interlocutory decree, held to be an in-

fringement of claims 1 and 10 of the Strain Reissue Patent.

The prior art introduced in evidence in connection with appeal case No. 2772 precludes any such broadened construction being given at this time to the invention covered by claims 1 and 10 of the said Strain Reissue Letters Patent, and no such contention was advanced for the said invention throughout the trial of the case in the lower Court, nor before this Court in connection with said appeal case No. 2772. This issue is raised for the first time in connection with the present appeal.

The issue presented by said appeal case No. 2772 was not whether individual adjustment of the grade-way outlets for the sized fruit was new and utilized by the appellee to said appeal, for admittedly, the machine held by the lower Court to be a non-infringement, had independent and individual adjustment in this respect, operated in the same manner and for the purpose as disclosed by the Strain Reissue Letters Patent, and, equally so, the prior art disclosed sizing devices having independent and individual adjustment for the control units for the grade-way outlets for the sized fruit, which adjusting units were adjustable individually and independently of each other, i. e., they were not connected one to the other, for the movement or adjustment of one did not vary or change the position of an adjacent unit. Had the issue presented by appeal case No. 2772 been confined to the question whether or not the invention of claims 1 and 10 of the Strain Reissue Patent covered broadly any form of means

for independently and individually varying the grade outlets of the fruit runway, the solution would have been an easy one; inasmuch as the prior art disclosed such means in connection with fruit sizers and negatived any such construction for the Strain Reissue invention. Such, however, was not the question presented to this Court by said appeal, nor in its decision did the Court give any such construction to the inventions of claims one and ten of the Strain Reissue Letters Patent. The appeal dealt solely with two and only two presented questions, viz.:

First—Did it involve invention, over the prior art, to construct the roller member of the Strain Reissue Letters Patent of a series of longitudinally aligned rollers arranged end to end, each roller being separately and individually adjustable, mounted in bearing brackets of its own, and the bearing brackets individually transversely movable, whereby any roller of the series of end to end independent and disconnected rollers could be independently and individually adjusted toward and from the fixed member of the fruit runway without disturbing the position of an adjacent roller.

Second—Did the Parker machine (held by the lower Court to be non-infringing) infringe claims 1 and 10 of the Strain Reissue Letters Patent, said apparatus having embodied therein as the roller member of the runway a series of separated independently and individually adjustable rollers arranged in longitudinal succession, each mounted in bearing brackets of its own, adjustable toward and

from the fixed member of the fruit runway, the said rollers separated a distance apart and the space between the rollers being bridged by overlapping guide arms.

By its decision this Court held that the combinations called for by claims 1 and 10 of the Strain Reissue Letters Patent were not anticipated by the prior art, and that the same were infringed by the said Parker machine. However, this Court did not, by its decision, give to the said claims the new construction now contended for by counsel for the appellee herein, for, as stated, the prior art negated any such construction. This is a new issue, raised for the first time in connection with this litigation.

It is only by enlarging the decision of this Court to the extent now contended for on behalf of appellee Stebler, that the machine placed on the market by appellant since the entry of the interlocutory decree, can be held to be an infringement.

In the absence of a full hearing in the light of additional prior art directed to this new issue, we do not apprehend that this Court will enlarge or expand its decision so as to accommodate appellee Stebler to the extent of including a different machine to the one held to have been infringed.

Appellee Stebler successfully urged before the Master that the decision of this Court in appeal case No. 2772 was final as to this new machine so far as related to additional prior art relative thereto, contending (as he now does on brief) that the matter was *res adjudicata* between the parties. Such is not the case. The act now complained of is a new act of

claimed infringement and presents a new and undecided issue, and we earnestly submit that if the Master was to try and determine a new issue, appellant Parker was entitled to put in additional prior art to show that the new machine came within the same, and equally so to combat the contention that this Court's decision was entitled to be enlarged and so construed as to cover any form of means for varying the discharge outlets of the fruit runway for the sized fruit. This is a right which heretofore has been denied unto appellant Parker.

The member of the so-called Parker new machine in contra-distinction to the roller member of machine held to be an infringement, is not formed of a series of separated independent and individual adjustable rollers, each mounted in bearing brackets of its own which are adjustable toward and from the fixed member of the fruit runway, but on the contrary, the same consists of a series of roller sections each connected one to the other to form a roller extended the entire length of the machine, the roller sections being driven in unison by power applied at one end. The roller sections are connected one to the other, as are connected the roller sections of the California Sizer, the Jameson California Sizer and the Rialto California Sizer (illustrated by cuts opposite p. 29 of appellant's opening brief), and they are driven in unison and adjusted in the same manner as in said machines. If the Parker California Sizer falls within the construction now contended for by appellee Stebler for the decision of this Court, then equally so does the Jameson—the Rialto

and the California Sizers of illustrations 2, 3 and 4. The Rialto Sizer was produced to disclose that where the roller member of the fruit runway consisted of a series of connected roller sections driven in unison, it conformed to the California Sizer, due to the fact that you cannot adjust one connected roller section without varying the position of an adjacent roller section and any adjustment imparted to an adjacent roller section (however slight it may be) varies the grade outlet controlled thereby.

In argument, counsel for appellee admitted illustrations 5 and 6 of our brief correctly represented appellant Parker's new device, and admits at bottom of p. 59 of brief, that in this respect the Rialto Sizer corresponds to the California Sizers of the prior art. Inasmuch as in appellant Parker's California Sizer (new machine) the roller member of the fruit runway is composed of a series of roller sections united one to the other in the same manner as the roller sections of the Rialto machine and as the adjustment and the manner of driving the connected roller sections is the same as in the California Sizer, it must follow that whatever takes place under the Rialto machine follows correspondingly from the Parker California Sizer, and to this extent it is the California Sizer of the prior art. You cannot adjust one roller section of the roller member of the Parker California Sizer without adjusting or changing the position of an adjacent roller section, just as adjusting one roller section of the connected roller sections of the Rialto, Jameson or the California Sizer disturbed an adjacent roller section. They are the same in this re-

spect, and as that which differentiated and was held by this Court to differentiate the Strain patented reissue sizer from the prior art resided in the fact that the inventions called for by claims 1 and 10 thereof comprised a series of independent end to end rollers arranged in longitudinal succession, each mounted in individual bearings independently and individually adjustable, whereby any roller of the series of disconnected rollers could be independently and individually adjustable, so that adjustment imparted to one roller would not disturb the position of an adjacent roller, it follows, that a machine operating on different principles, not having independently and individually adjustable rollers, can not be an infringement of the construed claims.

Throughout the brief counsel directs attention to the number of years this litigation has been pending and to the further fact that the case has been before this Court three times, urging therefrom that appellant Parker has been a stubborn and what he terms a "litigious" infringer. The record of this litigation does not support counsel, in this assertion.

The first and second appeals to this Court were taken by appellee Stebler, and, strange to say, we find him party appellant by cross appeal taken to the present appeal.

The suit was commenced May 24, 1910, but complainant did not take his opening testimony until February, 1912.

The interlocutory decree was entered November 7, 1913, but complainant did not proceed with his

accounting until July, 1914. Master's report filed October, 1914. Each party filed exception to said report. Exceptions duly presented to the lower Court and decided October, 1915. No delays can be charged to appellants herein.

Counsel criticizes our statement relative to the Jameson California Sizer being in use prior to the year 1900. It is only necessary in this connection to direct attention to the testimony given by Mr. Jameson in appeal case No. 2772. Mr. Jameson testified that the machine had been in use since 1898. Witness Proud, to whose testimony counsel directs attention, merely testified that he lengthened the machine in 1900. Otherwise it was the same machine. However, even if the testimony of Mr. Proud as to the lengthening of the Jameson California Sizer in the year 1900 be taken as the date of the Jameson device (contrary to the testimony of Mr. Jameson), still, the year 1900 is prior to the date of the Strain invention of the Reissue Letters Patent, which Reissue Letters Patent were not issued until 1904, on application filed October 21, 1903. The original Letters Patent of the Reissue Patent issued June 9, 1903, on an application filed April 28, 1902.

Why counsel for appellee Stebler throughout brief undertakes to advise the Court that our statements should be read with "caution" and possibly with "suspicion," we are at a loss to understand. It is a reflection on the integrity of counsel and, as such resented. Not a single misstatement has been made in brief filed on behalf of appellants, and such

inferential statements are uncalled for and not expected from reputable practitioners.

Between pages 70 and 74 of brief, counsel directs the Court's attention to the quotations made from Knight, Stebler, Thomas Strain and Thomas Strain, Jr., affidavits filed in the lower Court in case A-92, contending they find no place in the present case. No attempt is made to deny the correctness of said quotations and none could be made, for counsel knows the same to be absolutely true. While the affidavits are not in the present record, they nevertheless were before the Master, as they constituted a portion of the record in case No. A-92—Stebler vs. George D. Parker, et al. When request was made to copy the Knight affidavit into the present record, the Master held it was not necessary so to do, stating, Record, p. 122—"It is on file in the Court as part of the records in that case (meaning Equity suit A-92) and can be considered read in the testimony." With the record of said case the affidavits were, therefore, before the Master, and each upheld appellant Parker and confirms the Master in his report as to the Parker California Sizer not having independent and individually adjustable rollers; they further support witness Parker, that in the new sizer the roller member comprised a series of connected roller sections so united one to the other as to constitute a single roller, the connected sections driven in unison from power applied at one end, and the affidavits of Thomas Strain and Thomas Strain, Jr., support the testimony of appellant Parker that his so-called new machine is the

same in its connection of the roller sections and the driving and adjusting thereof, as the California Sizers of the prior art.

It is for these reasons that counsel now seeks to prevent consideration being given to the quotations from said affidavits.

Between pp. 74 and 78 of brief, counsel in arguing against the allowance of our fifth assignment of errors, contends that the damages should have been doubled, due to the fact that appellant Parker manufactured and sold machines in defiance of the injunction, and repeats over and over again that he still has in his possession "large profit" from his wrongdoing.

We submit that appellant Parker in no manner attempted to disobey the injunctive order of the Court. He placed on the market a machine he believed to be constructed under the prior art; he sought advice of counsel and was advised that it did not infringe claims 1 and 10 of the Strain Reissue Patent and, was further advised that the construction given by this Court to claims 1 and 10 of the Strain Reissue Patent defined the invention thereof to differ from the prior art in the same manner and to the same extent as the machine he proposed manufacturing and selling differed from the Strain invention. Under the circumstances, the action of appellant Parker cannot be said to be an attempt to violate the injunctive order of the Court.

It is difficult to understand how appellant Parker can still be in possession of "large profits" or any profit, since the Master has found that all profit

realized from the manufacture and sale of the infringing machines should be paid over to appellee Stebler, and, in addition thereto, a large sum in excess thereof as damages.

The action of appellee Stebler in the present case so far as relates to the manufacture and sale of the machine after the date of the injunctive order, simply exaggerates the method sometimes resorted to in patent litigation by the owner of a patent (which is a late comer into an established art) to tie up an industry, which is—

First—commence action against a defendant manufacturing a device performing the same function as that accomplished by the patented combination and which claimed infringing machine is sufficiently an approach to the patented structure to justify the suit. If decision is favorable to the claim of infringement, then, on the infringer placing another article on the market commence action for infringement, claiming the same to be a mere colorable evasion of the adjudicated patent and attempt to have the decision enlarged to include the same. In such event, the defendant to the new suit is free to plead additional prior art to justify the new machine and prevent an enlargement of the prior decision.

In the present case, however, such consideration was not shown. Instead, appellant Parker was led to believe the new machine was not claimed to be an infringement of the Strain Reissue Patent, due to the fact that appellee Stebler instituted suit A-92 against said Parker for infringing the Thomas

Strain patent—Def. Ex. 6, and the Stebler patent—Def. Ex. 7, by the manufacture and sale of the new machine, contending in affidavits of Knight and Stebler, filed for use on preliminary injunction (which was not granted) that the roller member of said machine consisting of a series of connected roller sections united one to the other and not independently and individually adjustable, was the full equivalent of the single flexible rod disclosed in the Thomas Strain patent as the sizing roller member for the said patented sizer.

Accounting in the present case was then proceeded with and appellant Parker ordered to produce all records, etc., in connection with the held infringing machines, which was done. Counsel for Stebler then ordered that the new machine for the first time charged with being an infringement be produced, and contended before the Master that as to said machine appellant Parker was not entitled to introduce any prior art which was not introduced in the record of appeal case No. 2772, or in other words the doctrine of *res adjudicata* applied. It was a deliberate and studied effort to prevent a full hearing unto appellants as to the new claimed act of infringement and, strange as it may appear, the Master accepted this contention and ruled that as to the prior art appellant Parker had had his day in Court and was estopped from introducing additional prior art.

We submit that either counsel was earnest when he filed Equity suit A-92 charging said machine to be infringement of the Thomas Strain patent—Def.

Ex. 6, and filed supporting affidavits charging the roller member of the new sizer to be the same as the single roller member of the sizer of the said letters patent, and, consequently, different from the roller members of claims 1 and 10 of the Strain Reissue Letters Patent, or else he filed said suit to lull the appellants into the belief that it was not a claimed infringement of the said Strain Reissue Letters Patent, so as to permit a continuance of the manufacture and sale of said machine until he elected to take an accounting, intending on said accounting to demand the production of said machine and to hold before the Master that the doctrine of *res adjudicata* applied against the introduction of prior art. If the latter was the case, then such practice is to be condemned.

We earnestly contend that appellant Parker's new California sizer is not an infringement of claims 1 and 10 of the Strain Reissue Letters Patent as construed by this Court; further, that under the practice resorted to by counsel for Stebler, said appellant has not had his day in Court relative to this new claimed act of infringement, nor permitted to set up the defenses provided for by the United States Statutes to a charge of infringement, and finally that the decision of this Court should not be enlarged to cover a disputed issue of infringement.

Respectfully submitted,

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N. A. ACKER,

Counsel for Defendants-Appellants.